

PUBLIC DISCLOSURE

April 26, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIDUCIARY TRUST COMPANY

175 FEDERAL STREET
BOSTON, MA 02110

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Fiduciary Trust Company (Fiduciary) prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated " Satisfactory ".

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its assessment area, including low and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Fiduciary Trust Company (Fiduciary) is designated as a wholesale institution under the Massachusetts Community Reinvestment Act regulation. Under the CRA regulation, the CRA performance of wholesale institutions is assessed utilizing the community development test. The community development test considers the activity and initiatives of an institution's community development lending, qualified investments and services with the primary purpose of community development. The institution's responsiveness to community development needs is also evaluated.

Fiduciary does not provide extensions of credit or credit facilities to retail customers. The institution engages in community development activities primarily through charitable contributions and involvement in local organizations. Given the nature of its business, Fiduciary has a satisfactory level of community development services and qualified investments and has exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

PERFORMANCE CONTEXT

Description of Institution

Fiduciary Trust Company (Fiduciary) was incorporated under the laws of the Commonwealth of Massachusetts in 1928. Fiduciary engages solely in the management and care of assets of others, both individuals and institutions, as trustee, executor, administrator, guardian and agent. Fiduciary is not in the business of making commercial loans or mortgage loans. It accepts demand deposits almost exclusively from existing clients. Due to the nature of its business, Fiduciary received designation as a wholesale institution under the laws of the Commonwealth of Massachusetts in 1996. A wholesale institution is an institution that does not participate in significant retail banking activities.

As of December 31, 2000, the company had total assets of \$68,751,000. A total of \$56,623,000 or 82.4 percent represented repurchase agreements and U.S. government securities. Fiduciary's sole office is located at 175 Federal Street in the financial district of Boston, Massachusetts.

Fiduciary was previously examined for compliance with the Community Reinvestment Act by the Division of Banks as of June 7, 1999. The examination resulted in a Satisfactory rating.

Description of Assessment Area

Fiduciary's assessment area consists of the City of Boston and the surrounding communities of Brookline, Cambridge, Chelsea, Dedham, Everett, Milton, Newton, Quincy, Revere, Somerville, Watertown and Winthrop. This entire delineation is located within the Boston Metropolitan Statistical Area (MSA).

Housing information based on 1990 census data for the Boston MSA indicated a median owner-occupancy level of 36.0 percent and median home value of \$206,327. The 1999 and 2000 Department of Housing and Urban Development (HUD) Estimated Median Family Household Income (FHI) for the Boston MSA was \$62,700 and \$65,500, respectively.

The institution's assessment area is comprised of 301 census tracts. Of this number, 42 or 14.0 percent are low-income, 113 or 37.5 percent are moderate-income, 96 or 31.9 percent are middle-income, 44 or 14.6 percent are upper-income and 6 or 2.0 percent are not categorized. The low-income census tracts are located in the communities of Boston (38), Cambridge (1), Chelsea (2) and Quincy (1). The moderate-income census tracts are located in Boston (76), Cambridge (12), Chelsea (3), Everett (6), Quincy (2), Revere (6), and Somerville (8).

The City of Boston contains the majority of the census tracts in the assessment area (164 or 54.5 percent). In addition, 90.5 percent of the low-income census tracts and 73.1 percent of the moderate-income census tracts are located within Boston.

PERFORMANCE CRITERIA

Fiduciary is designated as a wholesale institution under the laws of the Commonwealth of Massachusetts. Under the CRA regulation, the CRA performance of wholesale institutions is assessed under the community development test. The community development test considers the institution's community development activities, which are defined as community development lending, qualified investments and services with the primary purpose of community development. As defined under the CRA regulation, community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms and activities that revitalize or stabilize low and moderate-income geographies. Fiduciary's community development activities are detailed below.

Community Development Lending

As defined under the CRA regulation, community development lending includes loans that have community development as the primary purpose. Due to the nature of its business, Fiduciary generally grants loans only to accommodate existing clients and secures the loans with marketable securities. However, on December 27, 1990, Fiduciary granted a loan of \$25,000 to the Boston Community Loan Fund (BCLF). The BCLF provides loans to finance the construction or rehabilitation of affordable housing and for the economic development of low-income neighborhoods. The original loan was for three years at 4 percent interest. The loan has since been renewed three times. On December 31, 1993 and again on November 19, 1996, Fiduciary granted \$25,000 for three years at 2 percent interest. On December 14, 1999, Fiduciary granted a loan for \$50,000 for three years at 2 percent interest.

Qualified Investments

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments; not just those made since the previous CRA examination.

Fiduciary has provided grants to organizations that provide education and job skills training, neighborhood revitalization, youth programs and health and human services for individuals in need. In 1999, Fiduciary provided 23 grants totaling \$3,290 for community

development purposes as defined under the CRA regulation. In 2000, Fiduciary provided 31 grants totaling \$7,345. Some of the organizations that received grants include the Boston Private Industry Corporation (PIC) Summer Jobs Program, Casa Myrna Vasquez Homeless Shelter, the Greater Boston Food Bank, Habitat for Humanity, the New England Shelter for Homeless Veterans, the Pine Street Inn, Operation A.B.L.E., Project Bread Walk for Hunger, the YMCA of Greater Boston, the Stoughton Food Pantry and the Wellmet Project, Inc.

Fiduciary also contributes to the United Way through direct and matching corporate grants. Fiduciary's total contribution to the United Way for 1999 was \$79,435, of which \$18,000 was requested to be used for community development projects and/or affordable housing efforts. The total contribution to the United Way for 2000 was \$91,998, of which \$20,000 was requested to be used for community development projects and/or affordable housing efforts.

The institution continues to maintain a \$5,000 certificate of deposit at the Boston Bank of Commerce (BBOC). The BBOC is a minority-owned community development financial institution.

Community Development Services

Fiduciary provides services that address community development needs primarily through the participation of its officer in community organizations. Fiduciary's officers are involved with community organizations in various capacities. Through these involvements, Fiduciary's staff lends their technical expertise, experience and judgment to these non-profit organizations. The following are some examples of the involvements of employees. It should be noted that only those services that are primarily for a community development purpose and are related to the provision of financial services are mentioned.

Positions held by various Fiduciary officers include:

- President and Trustee of the Boston Local Development Corporation, an organization which provides commercial loans in low and moderate-income, minority communities
- Treasurer of Dedham Temporary Home, a temporary shelter for women and children
- Business Advisory Committee Member of Operation A.B.L.E., an organization that provides job skills training
- Finance Committee Member of Roxbury Home for Aged, an affordable housing facility for the elderly
- Treasurer and Board Member of Wellmet, Project, Inc., an organization that provides housing and counseling to low-income, de-institutionalized individuals

- Director of the Traveler's Aid Society of Boston, an agency which provides counseling to the homeless

Fiduciary acts as a custodian or advisor for over forty charitable organizations throughout the Boston area. The institution provides a 15 percent discount on the normal fee on these accounts.

Given the nature of its business, Fiduciary has provided an adequate level of community development activities, particularly through the service of its officers and the provision of grants, as depicted above. The institution has exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

FAIR LENDING POLICIES AND PRACTICES

As previously mentioned, Fiduciary Trust Company engages solely in the management and care of assets of others, both individuals and institutions, as trustee, executor, administrator, guardian and agent. The delivery of trust services is Fiduciary's sole and single purpose. The institution does not provide extensions of credit or credit facilities. Consequently, no fair lending examination was conducted.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

FIDUCIARY TRUST COMPANY

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **April 26, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 _____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, [address at main office]."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that area shall also include the address of the designated office for that area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.